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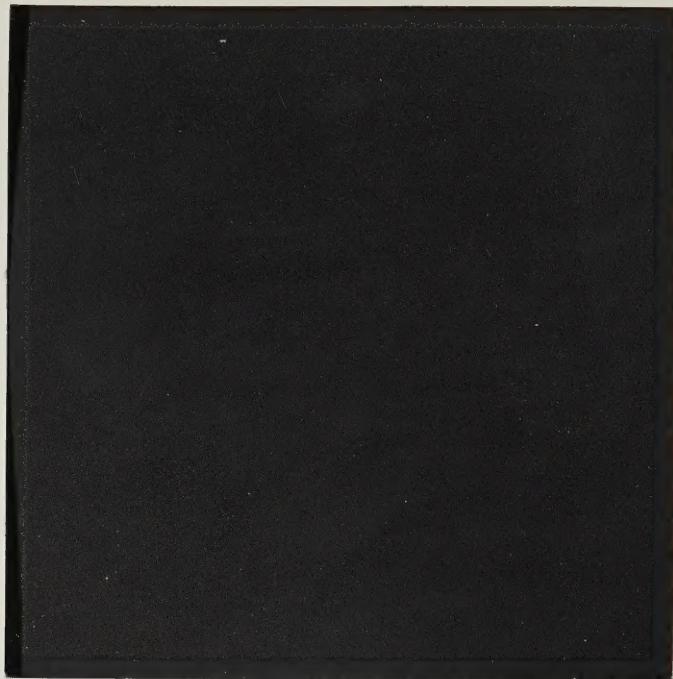
**SMALL BUSINESS ADVOCACY
REPORT NO. 1**

**SURVEY OF SMALL BUSINESS
REGISTRANTS, 1984**

October, 1984

**MINISTRY OF INDUSTRY,
TRADE AND
TECHNOLOGY
ONTARIO**





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Prepared by Rena Blatt

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Technology

Small Business Advocacy is intended to provide
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SURVEY OF SMALL BUSINESS REGISTRANTS, 1984

This research was undertaken in order to provide government policy makers with some basic data about Ontario entrepreneurs and the businesses they start. It involved interviewing 911 qualified respondents who imparted information on: investment, hiring intent, previous experience, type of business, why the business was started and their demographics.



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SURVEY OF SMALL BUSINESS REGISTRANTS, 1984

INTRODUCTION

During the period between March and August, 1984 (March, April and August) interviewers from the Ministry of Industry and Trade (MIT) interviewed 1,027 people who were registering new businesses in the Ministry of Consumer and Commercial Relations (MCCR).

Of that group of 1,027, 116 were acting as agents for other persons and therefore the interview was terminated. The remaining 911 constitute our working sample.

The first legal step in starting a business in Ontario is to register it with MCCR. This can be done as a Proprietorship, a Partnership or through Incorporation. The respondents to this survey were all in the two former categories. No attempt was made to interview those doing incorporations as it is rarely the case that the principal of the company will come in to the office.

Interviewers from MIT would approach registrants while they were waiting for their papers to be processed and ask them to participate in the survey. The participants were then asked the series of questions. The interviewer recorded the answers and then proceeded to the next registrant.

As all of the people standing in the office would not necessarily be principals registering companies, it was necessary to begin with a qualifying question. Some of the people attending at the office are having information searches done while others are accompanying registrants. Persons in either of these categories did not qualify for the survey.

In both April and August modifications to the original survey instrument occurred because it was felt that we needed more demographic information about the registrants to use for program design.

This has caused the number of respondents to different questions to vary greatly. While there were 911 respondents to the survey, for some questions the number of respondents might be as small as 200.

In addition, because the intended use of the survey material altered, various subsets of the data were created. The three most significant subsets overlap each other. They were:
those registrants who would be starting out with employees: the owner operator subset;
women registrants;
registrants under 30 years of age: the youth subset.

PURPOSE OF THE SURVEY

The purpose of this study was to garner some basic information about those persons registering businesses and the businesses that they were registering.

The information collected was intended for use for the design of both policies and programs. It was felt that programs could be targeted more precisely, if we had some knowledge about the potential market. In addition, by looking at groups that were underrepresented in the sample, we might be able to determine areas in which increased promotion was required.

The precise nature of the information we felt to be pertinent, changed a bit each time we went back into the field. The preliminary analysis of the previous trip whetted our appetites for more detail about: investment, education, the participation of women, previous experience and so on.

An analysis of the three survey instruments, points out the increased focussing on those areas. It also shows that more general questions were eliminated.

In a way, the period that each questionnaire was in the field acted as a pre-test for subsequent trials. Therefore, questions that did not seem to work well were eliminated.

An example of items that grew in importance are those related to job creation and to initial dollars invested in the business. This emphasis came about when it was determined that these criteria would be used to determine the funding of new programs.

What is meant by questions not working well is, either the interviewers reported that respondents needed to be prompted because of the wording or intent of the question or the responses we received weren't answering the question we thought we were asking.

METHODOLOGY

On three randomly selected series of days in March, April and August (March 8 and 9; April 5, 6 and 9, August 23-31) interviews were conducted with registrants of partnerships/proprietorships in the Companies Branch of MCCR, 2nd floor, 555 Yonge Street, Toronto, Ontario.

On each occasion, an attempt was made to interview every possible respondent. Although we were in the office for less than 5 per cent of the working year, we interviewed 1,027 persons who were registering companies. This represents about 2.3 per cent of the year's registrants. Of this group 911 were qualified respondents dropping our sample to 2 per cent. As registrations are accepted by mail and in other offices around the Province, this number is probably representative of two-thirds of the traffic in the survey location on the survey days.

Each potential respondent was approached by an interviewer who introduced themself as being with the Ministry of Industry and Trade and asked if the person was willing to talk to them.

The office procedures at MCCR are as follows:

1. The registrant completes an information card;
2. The registrant has the card checked by a clerk;
3. If the card is correctly completed, the registrant is sent to the cashier who accepts the registration in either cash or certified cheque and asks the registrant to wait to hear the company name called;
4. When the name is called, the registration papers are handed to the registrant.

The period of time between step 3 and step 4 may last from five to twenty minutes and provides an ideal time for interviews, as the registrant has nothing to do while waiting for the company registration papers to be prepared. This is likely one reason for the interviewers achieving almost no refusals.

When the interviews were completed, the results were coded onto forms which were then checked. These forms were keypunched and a data set created that could be analyzed using the Statistical Analysis System (SAS).

THE SURVEY RESULTS

The results of this survey have provided us with our first documented view of who is starting a small business and what kind of business they are starting. Several subdata sets were created in order to fulfill special needs in the Branch. The most important of these was the set of those registrants who would be hiring employees from the outset.

The reason for the importance of this group is that if employees are to be hired, there is obviously an operating company and not just a shell. It is the operating company that is of primary interest to the Small Business Branch and it is on the basis of policies for them that the Branch can be held accountable. This distinction of operating companies causes us to ignore the many single person operations that exist and profit. However, because this survey design does not permit us to differentiate between an operating one-person company and a registration that is done to hold the company name, provide a tax shield or is a fleeting idea that never takes root, these groups are all ignored in this subgroup. Therefore, our client group is actually larger than is quoted.

The two other subgroups that were created are women registrants and registrants under thirty years of age. In each of these cases, the data set was created relating to specific program designs.

Because the survey was not designed with these purposes in mind, the cell sizes are, in some cases, too small to provide statistically accurate projections. They do provide a view of the magnitude and the direction of the sample group.

A description of the survey results for these two groups can be found later on in this paper.

The total sample group provided a good indication of who the entrepreneur was. In 77 per cent of the sample, the registrant was male, while in 23 per cent the company would be owned by a female. Fifty-two per cent of the registrants were between 30-50 years old, only 9 per cent were over 50 and all the rest, 39 per cent, were under 30. Most were going into service businesses (69 per cent), 23 per cent were starting retail establishments and 8 per cent were going into manufacturing. Seventy-three per cent of the registrations were sole proprietorships and 27 per cent were partnerships. The 243 partnerships involved 490 persons, averaging at two partners per company.

Almost 64 per cent of the respondents would be starting operations out of their homes and one-third were planning on starting in leased space. They would be hiring an average of 1.13 employees.

The two most frequently given reasons for going into business were having had previous experience and money, each being given about 20 per cent of the time. The next most frequent response given was "wanted to be my own boss." In fact, about 80 per cent of the respondents indicated that they had previously been employed in this type of business and, while 42 per cent had

owned another business, only 17 per cent had owned a similar business.

Contrary to many suppositions, more than two-thirds of the respondents were fully employed at the time of registration. However, a 25 per cent rate of unemployment is still significantly higher than what would be found in the general population and should not be ignored as a reason for business start-up. Sixty-two per cent had had some post-secondary education--either college or university.

Sixty-two per cent of the respondents planned to invest less than \$5,000 and the mean investment was \$8,450. More than 70 per cent of the respondents would be using their own savings to invest in their company.

When asked how long they had thought about starting this business, just over 20 per cent of the respondents said 1-3 months, 24 per cent said 4-9 months, and another group of 21 per cent said between 12-18 months.

Most of the respondents felt that they had all the information that they needed. Of those indicating they could use additional information, 143 (37.5 per cent) said that they would like general business information, i.e., accounting information, marketing information, how to hire, etc.

Almost two-thirds of the respondents said they'd find a session with a consultant useful and 80 per cent indicated that they would watch a television series about starting a business. About 60 per cent did not have a written financial plan and about that percentage did not have a written marketing plan.

A profile of the average respondent follows.

A male between 30-50 years of age, who will be sole owner of a service business. He will be working out of part of his home. He had previous work experience in the kind of business he is starting and this was one of the major reasons why he decided to go into this business. Two others were--a desire to be his own boss and money. While he may have owned a business before, it was likely not this kind of business. Our typical respondent was fully employed when he registered. He had had some university education and was investing an average of \$8,450 in his business. The money was coming from savings. He had been thinking about starting this business either less than three months or more than a year. His main source of information has been people in similar businesses. The only information he feels that he still needs relates to general business

management. He would watch a TVOntario program on starting and running a small business and would find a session with one of our consultants useful.

OWNER/OPERATOR SUBGROUP

37.2 per cent of the larger group met the definition that was set for the owner/operator (0-0) that is, they intended to hire employees from the outset. There were 339 respondents in this group

The proportions going into the three types of business: manufacturing, service and retail were approximately the same as for the larger group, 9 per cent, 66 per cent, and 25 per cent respectively. The split of partnerships and sole proprietorships was virtually identical, with 73 per cent sole proprietorships. The number of partners in each partnership was also the same (2). A higher percentage were planning to rent space, 51 per cent as opposed to 33 per cent and a smaller proportion would be working out of their homes--45 per cent as compared to 64 per cent in the full sample.

The important differences begin to appear when the hiring question is analyzed. In the full sample, those not hiring are merged with the group that will be hiring, thus diluting the average. For those respondents who will be beginning with employees, the average was 3.03. To this could probably be added one additional job for the registrant.

Table 1 highlights some of the similarities in the reasoning behind starting a business.

TABLE 1
REASONS FOR STARTING A BUSINESS

	All Respondents %	Owner/Operator %
	(906)	(305)
Had previous experience	19.7	26.5
Money	19.3	20.7
Wanted to be my own boss	13.5	16.7
Economic necessity	6.8	6.0
Saw a need for product/service	6.2	6.9
Always wanted to do this	3.6	3.6
It was the right time	1.3	1.6
Tax position	.9	.3
Other	16.2	16.7
No answer	12.5	1.0

The only significant difference is the percentage who didn't respond to the question and as the interviewers did not probe those not responding, it would only be possible to hypothesize that more of those who were in the subgroup had clearly defined reasons for going into business.

The percentage of those in the O-O group with previous experience is not significantly different from the whole sample. Slightly more of the O-O group had both owned this type of business and owned any business. (Table 2 provides the detail.)

TABLE 2
PREVIOUS EMPLOYMENT EXPERIENCE AND BUSINESS OWNERSHIP

	All Respondents %	Owner/Operator %
Previous employment experience	79.1	80.4
Prior ownership: any business	42.3	50.0
Prior ownership: this type of business	17.5	25.1

Both groups were more than two-thirds fully employed at the time of registration--68.2 per cent of whole sample and 72.9 per cent of O-O. (Still, 32 per cent were unemployed and this needs further consideration.)

The educational levels in the two groups were also virtually the same, with the O-O showing just over 60 per cent having some post-secondary education as compared to 62 per cent of the whole group.

The amount of money to be invested in the business is significantly different for the two groups. The majority of the whole sample would be investing less than \$5,000 and while that investment level is the response given by over 47 per cent of the O-O group, 76 per cent of those investing over \$50,000 are in the O-O group. The mean investment for the whole sample is \$8,450 as compared to \$12,255 for the O-O. Table 3 shows the intended investment from both groups.

For both groups the primary source of funding will be their personal savings (71.6 per cent of all registrants and 68.7 per cent of O-O). A financial institution is the second source of financing, 18.9 per cent for O-O and 14.3 per cent for all respondents.

TABLE 3
START-UP INVESTMENT

	All Respondents %	Owner/Operator %
Less than \$5,000	62.4	47.6
\$ 5,000-\$10,000	19.9	23.0
\$11,000-\$20,000	7.1	11.3
\$21,000-\$50,000	6.5	9.8
\$50,000 and over	4.1	8.3

The distribution of length of time the respondent spent thinking about the business is the same for both groups as well.

Information sources used by the registrants in the sample provide an interesting glimpse of where a person starting a business thinks of going in preparation for the start-up. Table 4 compares the two groups.

TABLE 4
SOURCES GONE TO FOR INFORMATION

	All Respondents %	Owner/Operator %
People or companies in this business	28.5	27.6
Friends/Relatives	9.9	8.1
Government	11.2	10.7
Library: books, journals, etc.	7.5	6.2
Accountant/Lawyer	9.3	11.0
Consultants	2.4	2.6
Seminars	3.1	3.3
Bank	0.8	0.7
Market Survey	3.1	3.7
Other	23.0	26.1

There are no significant differences on this table and that is interesting in itself. As is the fact that the most common answer given was people or companies in the business. This tells us that business people have faith in other business people.

However, when asked about other forms of preparation, i.e. having a written up financial and/or marketing plan, the O-O group seemed just a bit better prepared. Table 5 compares the responses of the two groups.

TABLE 5
PREPARATION OF A FINANCIAL AND/OR MARKETING PLAN

	All Respondents %	Owner/Operator %
Has written a financial plan	38.8	47.6
Has written a marketing plan	40.5	48.7

The proportional distribution of sample registrants' ages is not significantly different in the two groups. The majority are in the 30-50 category (53.3 per cent). 36.6 per cent are less than 30 and 9.8 per cent are more than 50 years of age. The proportion of female respondents in the O-O category (18.4 per cent) is about 5 per cent lower than in the all respondent category. This is congruent with other research that indicates that women tend to go into smaller businesses, mainly in the service sector. The smaller businesses would likely mean no employees and therefore by our definition not in the O-O group. Unfortunately, as will be seen in the next section, the proportion of female starters of service businesses is lower than those in the whole sample starting service businesses.

An analysis of the O-O group indicates that with the exception of investment dollars, the two groups are fundamentally the same insofar as the questions that were asked in this survey.

A profile of the average owner/operator would be: a male between 30-50 years of age starting a service business as a sole proprietor. He is likely to be renting space to work from and will be hiring an average of three employees. His prime reason for starting this business is previous experience, followed by money and wanting to be his own boss. He is likely to have had previous employment experience in the kind of business he is starting (80.4 per cent) and may or not have previously owned any business (50 per cent). He was probably fully employed, but a higher percentage was unemployed than in the general population. He has had some post-secondary school education. He is planning to invest an average of \$12,255 most of which will come out of savings. He spent about ten months considering this venture and has mainly gone to other people or companies in business for advice. He is the best prepared of the sample with almost half having written financial and/or marketing plans.

THE FEMALE ENTREPRENEUR

The sample subset of female registrants consisted of a group of 208. The pattern that emerges of the kind of business begun by the respondents is surprising. Conjecture would suggest that women start mainly service businesses--and they do, but not to the same extent as the whole sample. Table 6 provides a comparison of the two groups.

TABLE 6
KIND OF BUSINESS REGISTERED

	All Respondents %	Female Respondents %
Manufacturing	8.2	10.6
Service	69.0	59.6
Retail	22.8	29.8

Comparatively, the female respondents were lower in the service sector.

The ownership type, i.e. sole-owner vs. partnership was not significantly different between the two groups. A slightly larger percentage of the female respondents were planning on working out of their homes (71.6 per cent as compared to 63.6 per cent).

Table 7 compares the reason for going into business of the two groups.

TABLE 7
REASONS FOR STARTING A BUSINESS

	All Respondents %	Female Respondents %
Had previous experience	19.7	19.6
Wanted to be my own boss	13.5	19.0
Money	19.3	15.2
Saw a need for the product/service	6.2	8.7
Always wanted to do this	3.6	6.0
Economic necessity	6.8	5.4
Thought it was the right time	1.3	2.7
Tax position	0.9	1.7

The percentage differentials shown on Table 7 are not particularly startling. However, that the response "wanted to be my own boss" was so high among the female respondents can be important from a policy and program design point of view.

From the next series of questions relating to previous employment experience and previous business ownership, it can be seen that the proportion of women going into businesses for which they have no experience is slightly higher than for the sample as a whole. There are also more first time starters in this group. The responses of both groups are summarized on Table 8.

TABLE 8
PREVIOUS EMPLOYMENT EXPERIENCE AND BUSINESS OWNERSHIP

	All Respondents %	Female Respondents %
Previous employment experience	79.1	69.5
Prior ownership: any business	42.3	34.3
Prior ownership: this type of business	17.5	13.0

This diverges even more from the owner/operator group who exhibited a slightly higher tendency to have both employment and ownership experience.

TABLE 8A
PREVIOUS EMPLOYMENT EXPERIENCE AND BUSINESS OWNERSHIP

	Owner/Operators %	Female Respondents %
Previous employment experience	80.4	69.5
Prior ownership: any business	50.0	34.3
Prior ownership: this type of business	25.1	13.0

This could be interpreted to mean that female registrants might be in need of more assistance, yet they would be slightly less likely to watch a series on TVOntario and to find a session with a consultant useful.

TABLE 9
WOULD WATCH A TELEVISION SERIES ON STARTING A BUSINESS
FEEL A SESSION WITH A CONSULTANT WOULD BE USEFUL

	All Respondents %	Female Respondents %	Owner/ Operators %
Would watch TV series	80.2	78.7	77.6
Would find consultant useful	64.6	60.7	64.2

These small differences would not be important from a policy standpoint, but taken with the previous table (8) it might be telling us that special efforts are going to be needed to reach the women entrepreneurs.

The employment vs. unemployment statistics for women was not really different than for all respondents. The educational level of the sample women registrants is slightly higher, 67 per cent having had post-secondary education, as compared to 62 per cent in the whole sample. On the other hand, the amount they are planning to invest is lower. 78 per cent of the women plan to invest is lower. 78 per cent of the women plan to invest less than \$5,000, while 62 per cent of all respondents fall in that category. Although the mean is not an accurate measure of this investment, comparatively it is useful. The mean investment for all respondents was \$8,456.89; for the owner/operator it was \$12,254.72 and for the female registrants it was \$5,723.21; an investment just 45 per cent of that of the owner/operator. What is even more significant is the representation of women in each investment range.

Table 10 highlights the fact that women are over-represented in the lowest investment range and under-represented in every other.

The sources of funding follow the same pattern for female respondents as for all respondents. Women, however, are even more likely to use their own savings and less likely to go to a lending institution. Unfortunately, the preeminence of the response "savings" has resulted in such a small number of respondents in the other cells that it would be difficult to interpret with any degree of confidence.

There were no significant differences in the length of time that the two groups thought about starting their businesses. In both groups the mean time was 10.6 months and in both groups the largest concentrations were in the one-three month category and in the twelve-eighteen month category.

TABLE 10
START-UP INVESTMENT

	All Respondents %	Female Respondents %	Female Representation In Range* %
	(720)	(168)	(23.2)
Less than \$5,000	62.4	78.0	29.2
\$ 5,000-\$10,000	19.9	11.9	14.0
\$11,000-\$20,000	7.1	4.7	15.7
\$21,000-\$49,999	6.5	3.6	12.8
\$50,000 and over	4.1	1.8	10.3

*This indicates the percentage of women investing those amounts as compared to all respondents. As 23.2% of the sample were women, equal representation would be around that figure.

Contrary to research that has been performed in other jurisdictions relating to women having a high level of preparation, the percentage of women who had prepared marketing and/or financial plans was lower than in the whole sample. Of the two planning tools, more had prepared marketing plans just as in the larger group.

The only interesting feature of the age breakdown is that there was a smaller proportion of women in the under 24 category, however, if the age categories are collapsed into "under 30" and "over 30" the female respondents are about equal to all respondents.

A profile of the female entrepreneur would be: between 30-50 years of age, starting a service business with no partners. She will start work out of her home and is unlikely to be hiring employees. She wants to be her own boss and has had previous experience as an employee in this kind of business, but only one-third has owned a business before and overwhelmingly has not owned this kind of business. She has had some post-secondary school education and is currently employed. She will be investing about \$5,000 in her business which will come from savings. She has thought about this for less than a year but has not written up a financial or marketing plan.

In summary, the female entrepreneur is not very different than the combined group of sampled male and female business registrants. The major difference made apparent by the survey related to investment. Another difference is that women are less

likely to be planning on hiring employees at outset. While 23 per cent of the whole sample is female, they represent only 18 per cent of the group that plans on hiring. Taking these two facts together, allows us to conjecture that women are starting smaller businesses.

THE YOUNG ENTREPRENEUR

38.8 per cent of the whole sample has been classified as belonging to the group of young entrepreneurs (less than 30 years of age).

This group is slightly less likely to be going into manufacturing with the difference spread equally over service and retail. Conversely, the percentage of partnerships is slightly larger. When asked where they were planning to work from, the answers in this group closely resembled that of the whole sample but differed from the O-O group. This group was more likely to work out of home than any other excepting the female entrepreneur.

The decision to go into business was made for the same reasons in this group as in the others. However, the proportions do vary. Almost 24 per cent of the young registrants made the decision to go into business because of money. Table 11 compares the reasons of this group to those of both the whole sample and the owner/operator group. As would be expected, a smaller percentage of this group indicated previous experience as a reason although more than three-quarters of them indicated that they had been employed in this type of business. Most of their reasons are in the same range as for the other groups.

The employment experience of this young group is slightly lower than in the whole sample and in the O-O group. Table 12 summarizes the employment and ownership responses for all three groups. The previous ownership can be seen to be significantly lower for this 'under 30' group than for either of the other two. This group can definitely use assistance in their start-up.

The young entrepreneur exhibited a slightly lower percentage of full-time employment (66.7 per cent) as compared to 68.2 per cent for all respondents and 72.9 per cent for the O-O group. If we separate out the traditional youth group, i.e., under 24, the unemployment rate for that group rises to 28.8 per cent from an already high 25.2 per cent in the 'under 30s.' This compares to an approximately 14 per cent unemployment rate for "under 24s" in the general population. Young people are obviously looking at entrepreneurship as an alternative to working for someone else in an economy that is not providing jobs.

TABLE 11
REASONS FOR STARTING A BUSINESS

	Young Entrepreneurs %	All Respondents %	Owner/ Operators %
	(344)	(906)	(305)
Money	23.5	19.3	20.7
Wanted to be own boss	17.2	13.5	16.7
Had previous experience	16.3	19.7	26.5
Always wanted to do this	5.5	3.6	3.6
Saw need for product/ service	5.5	6.2	6.9
Economic necessity	3.8	6.8	6.0
Tax position	1.2	0.9	0.3
Thought it was the right time	0.3	1.3	1.6
Other	14.2	16.2	16.7
N/A			

TABLE 12
PREVIOUS EMPLOYMENT EXPERIENCE AND BUSINESS OWNERSHIP

	Young Entrepreneurs %	All Respondents %	Owner/ Operators %
Previous employment experience	76.8	79.1	80.4
Prior ownership: any business	32.1	42.3	50.0
Prior ownership: this type business	11.7	17.5	25.1

The educational attainments of the young entrepreneur appears in a slightly varied pattern from that of all respondents. Table 13 compares the two groups. (As the owner-operator was almost the same as all respondents, it is not shown.)

Combining the "college" and "university" categories would, in this case, tend to blur what might be a significant difference. Whether this difference is a result of the kind of education received in the different institutions or is just a function of the leaving age cannot be determined from this survey.

TABLE 13
EDUCATIONAL LEVEL

	Young Entrepreneurs %	All Respondents %
Grade 10 or less	9.7	10.2
Grade 11-12	17.6	15.9
Grade 13	7.1	6.6
Trade School/Apprenticeship	2.6	5.5
College (some)*	24.7	18.3
University (some)*	38.3	43.5

*In the discussion, these are combined as "some post-secondary school education."

The average investment level for the youth group is higher only than that of the female entrepreneur. As with all the groups, the majority, in this case 66.2 per cent were investing less than \$5,000. The mean investment was \$7,447. This is not all that much lower than the all respondents group (\$8,450), but it is significantly below the \$12,255 mean investment of the owner/operators. Table 14 will compare the young entrepreneur to the other groups.

TABLE 14
INITIAL INVESTMENT

	Young Entrepreneurs %	All Respondents %	Owner/ Operators %	Female Entrepreneurs %
Less than				
\$5000	66.2	62.4	47.6	78.0
\$ 5000-\$10000	20.0	19.9	23.0	11.9
\$11000-\$20000	5.3	7.1	11.3	4.7
\$21000-\$50000	5.3	6.5	9.8	3.6
\$50000 and over	3.2	4.1	8.3	1.8

This group falls about halfway between the owner-operator and all respondents in optimism about getting money from the bank. 16.1 per cent expect part of their funding to come from a financial institution as compared to 14.3 per cent of all respondents and 18.9 per cent of owner-operators. By far the largest majority,

18.9 per cent of owner-operators. By far the largest majority, 67.8 per cent was planning to use their own money as an investment.

Young entrepreneurs spend just about the same length of time considering going into business as do all the respondent groups. The mean was 10.4 months, with the largest concentrations in the one-three month and twelve-eighteen month categories. Although they spent the same amount of time considering their business start-up, young entrepreneurs were less likely than owner/operators to have written either financial or marketing plans. Table 15 compares the two groups.

TABLE 15
Preparation of Financial and/or Marketing Plan

	Young Entrepreneurs %	Owner/ Operator %
Had a written financial plan	34.8	47.6
Had a written marketing plan	39.5	48.7

On the other hand, they would be more likely to watch a television series on starting a business (83 per cent) and think time spent with a consultant would be useful (70 per cent). This compares to 80 per cent and 65 per cent respectively for the whole sample and 78 per cent and 64 per cent respectively for the owner/operators.

When analyzed, the sources of information gone to by young entrepreneurs is essentially the same as for the whole sample and not much different from the O-O group. The kind of information they needed at the time of registration was mainly general business information, as was the case with the other groups.

Women made up 23.6 per cent of the group of young entrepreneurs, almost the same proportion as for the all respondent group and five per cent higher than for the O-O. This is important from a policy point of view as it says that in order to increase female participation in entrepreneurship work must be done with women of all ages--the under 30s women are not starting more businesses than their older sisters.

The profile of the under 30 entrepreneur does not look very different from that of the others. The under 30 registrant is male (76.4 per cent), likely going into a service business as a sole-owner. Money was the main reason given for starting the

business, with a desire to be his own boss and having had previous experience following in that order.

More than three-quarters of this group had been employed in this type of business but fewer than one-third had ever owned any business and only over 11 per cent had owned this type of business. 25 per cent were unemployed which is a high percentage even for young people. The typical youth entrepreneur had had some post-secondary school education and it was more likely to be university than college. He would be investing an average of \$7,447, which would be coming from his savings. He had considered this business venture for a mean of 10.4 months or a median of nine months, but had not prepared either a financial or marketing plan. He had gone to other people in business for advice more often than any other source of information and if he wants any additional information, it would relate to general business. To complete the picture of what we know about the young entrepreneur, he would be likely to watch a series of programs about starting a business and would find time spent with a consultant useful.

CONCLUSION

This study was a first attempt at getting information about those people registering partnerships/proprietorships at the point of registration. The data that was captured by it, is fairly reliable within the whole sample framework and begins to lose this reliability only in some cells of the subgroupings.

The data provides a foundation for projecting annual employment and investment by new small businesses in Ontario as well as significant demographic information about those representative respondents. The educational level of the respondents was somewhat surprising as was the very moderate investment that most considered would be adequate. The respondents were realistic about the fact that they would have to use their own money and in not expecting assistance from financial institutions.

If similar surveys are done in subsequent years, Ontario will build up a solid body of small business data which could prove invaluable.



